

STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769

REVIEW REPORT
OF
STATE BOARD OF ANIMAL HEALTH
STATE OF INDIANA
April 1, 2005 to April 30, 2007



FILED
06/29/2007

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Agency Officials.....	2
Independent Accountant's Report	3
Review Comments:	
SDO Fund Reconciliations.....	4
Outstanding Checks	4
Exit Conference.....	5
Official Response	6

AGENCY OFFICIALS

Office

Official

Term

State Veterinarian

Bret D. Marsh, D.V.M.

05-01-01 to 05-01-09



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE STATE BOARD OF ANIMAL HEALTH

We have reviewed the receipts, disbursements, and assets of the State Board of Animal Health for the period of April 1, 2005 to April 30, 2007. The State Board of Animal Health's management is responsible for the receipts, disbursements, and assets.

Our review was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. A review is substantially less in scope than an examination, the objective of which is the expression of an opinion on the receipts, disbursements, and assets. Accordingly, we do not express such an opinion.

Financial transactions of this office are included in the scope of our audits of the State of Indiana as reflected in the Indiana Comprehensive Annual Financial Reports.

Based on our review, nothing came to our attention that caused us to believe that the receipts, disbursements, and assets of the State Board of Animal Health are not in all material respects in conformity with the criteria set forth in the Accounting and Uniform Compliance Guidelines Manual for State Agencies, and applicable laws and regulations except as stated in the review comments.

STATE BOARD OF ACCOUNTS

June 4, 2007

STATE BOARD OF ANIMAL HEALTH
REVIEW COMMENTS
April 30, 2007

SDO FUND RECONCILIATIONS

The Indiana State Board of Animal Health (BOAH) has not performed reconciliations of its Special Disbursing Officer (SDO) advance in a timely manner. The BOAH has not reconciled the bank statements to the check register nor the check register to the advance amount since January 2007.

Two reconciliations must be performed for the SDO fund each month. The bank statement for the checking account must be reconciled to the check register. Also, the check register must be balanced to the total SDO advance. These reconciliations must be formally documented. (Accounting and Uniform Compliance Guidelines Manual for State Agencies, Chapter 7)

OUTSTANDING CHECKS

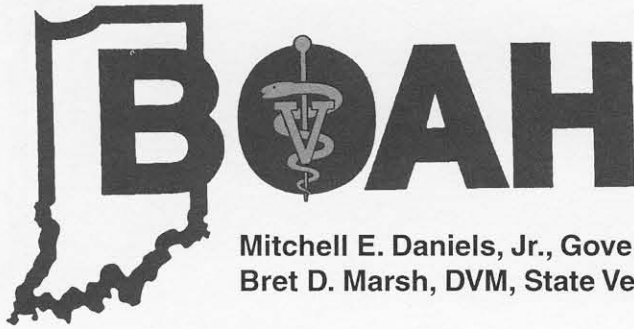
As stated in the prior report (B25541), the State Board of Animal Health's SDO account had checks which have been outstanding for over two years.

Indiana Code 4-10-10-1 provides that all checks authorized by law to be issued from funds in custody of any state agency which have been outstanding and unpaid for a period of two or more years as of the last day of December of each year shall be declared canceled.

It is our position that once declared canceled, these checks shall be entered as a miscellaneous receipt into the fund or account from which they were originally drawn and be removed from the record of outstanding checks.

STATE BOARD OF ANIMAL HEALTH
EXIT CONFERENCE

The contents of this report were discussed on June 18, 2007, with Bret D. Marsh, D.V.M., State Veterinarian; Douglas Metcalf, Chief of Staff; and Nancy Rosa, Director of Finance. The official response has been made a part of this report and may be found on page 6.



Mitchell E. Daniels, Jr., Governor
Bret D. Marsh, DVM, State Veterinarian

INDIANA STATE BOARD OF ANIMAL HEALTH

Office of the State Veterinarian
805 Beachway Drive, Suite 50
Indianapolis, IN 46224-7785
Phone: 317/227-0300
Administrative Fax: 317/227-0368
Permit Fax: 317/227-0330

June 19, 2007

State Board of Accounts
302 West Washington Street
IGCS, Room E418
Indianapolis, Indiana 46204

OFFICIAL RESPONSE

In response to the Exit Interview on June 18, 2007 the Board of Animal Health has developed time frames to ensure timely reconciliation of the bank statements and the SDO account along with an established time frame for returning to the fund/center outstanding SDO warrants.

Each month the bank statement will be reconciled to the check register and SDO account within five days after receipt of bank statement. The report will be signed by the individual doing the reconciliation and reviewed and signed by the SDO custodian. The reports will be maintained in the Finance files along with other accounting records.

December 31st of each year the SDO check register will be reviewed for outstanding warrants two years prior. Any warrants outstanding will be returned to the fund/center. This will be finalized the first two weeks of each January.

The two issues (SDO Fund Reconciliations and Outstanding SDO Checks) in the review comments brought up in the exit interview have already been completed.

Thank you for allowing us the opportunity to respond.

Sincerely,

Bret D. Marsh, D.V.M.
State Veterinarian

Safeguarding Indiana's animals, food supply and citizens for over 100 years.

An equal opportunity employer.